

The Challenge: Investors Stretching for Yield

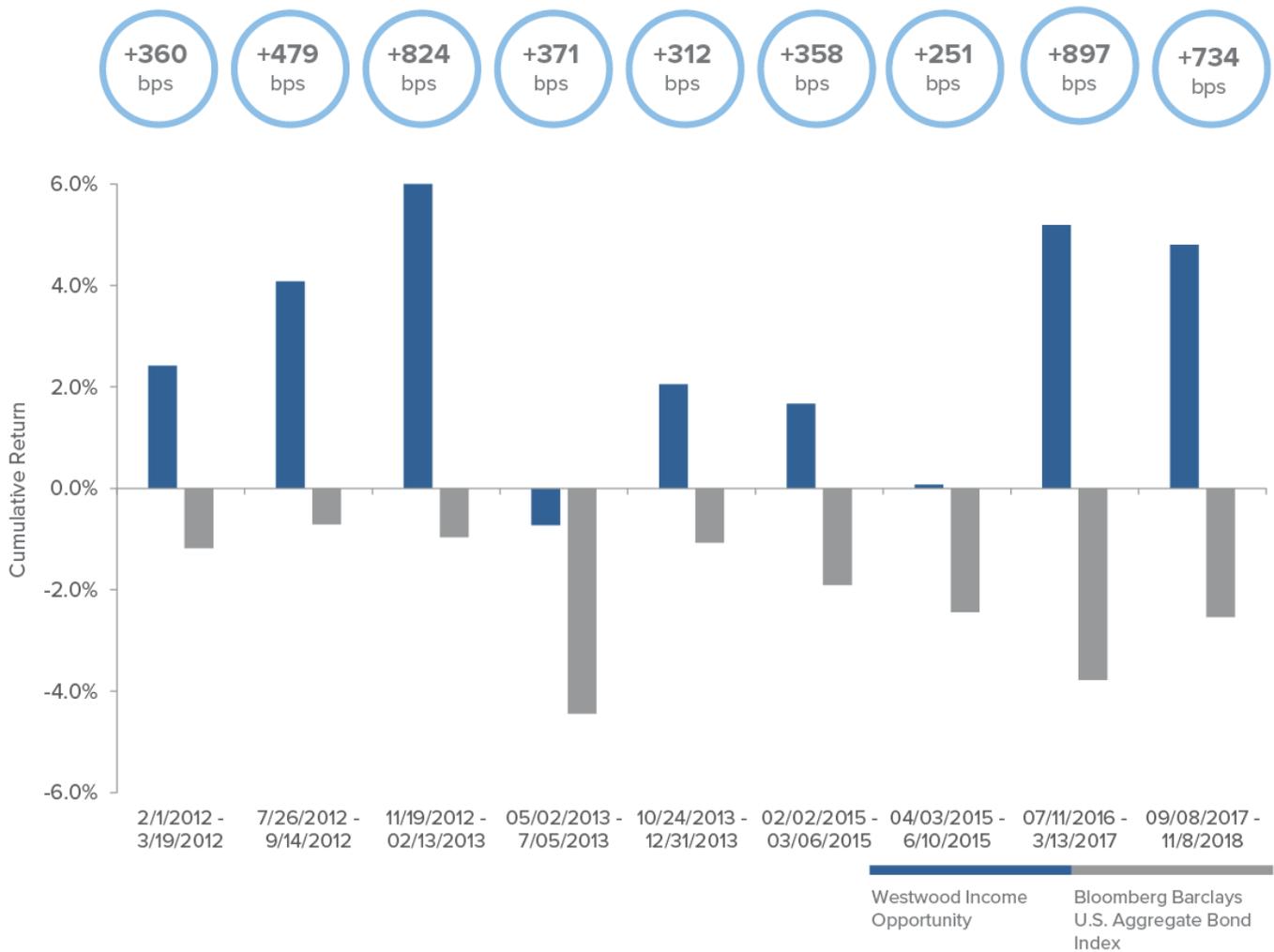
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Pursue Consistent Risk-Managed Income

The most conservative income investors face a challenging market environment with interest rates on the path to normalization and inflation risks on the rise. Conservative income investors who have stretched for yield in lower quality income-producing securities may be at risk of losing capital as interest rates rise. At the current inflection point where investors face potentially higher interest rates and a lower nominal growth environment, income investors may be prudent to emphasize consistency, risk-management, and loss limitation in their portfolios going forward. A flexible, bottom-up multi-asset approach focused on high-quality income-producing securities may help investors achieve a more consistent risk-managed approach to avoid over-stretching to yield without regard to capital losses.

Take Action: Learn More About Our Approach to Bottom-Up Multi-Asset Investing

Previous Rising Rate Environments



Rising rate periods include periods with at least a 40 bps increase in 10-year treasury from start date to end date since 2012.

Composite performance shown does not reflect the deduction of advisory fees. Performance reflects daily cumulative returns. Data Source: © 2018 FactSet Research Systems Inc. All Rights Reserved. Past performance is not indicative of future results. Portfolio returns reflect the reinvestment of dividend and interest income. As with any investment strategy, this strategy involves risk of loss. Please see appendix for full performance disclosures. The disclosures provided are considered an integral part of this presentation

Westwood Income Opportunity: Key Takeaways

Bottom-Up Multi-Asset Solution

Asset mix diversifies sources of return and is driven by in-depth fundamental bottom-up research

Asymmetric Return Focus

Participation in up markets with an emphasis on protecting capital in down markets

Flexible Approach

Flexibility allocates across asset classes, capital structures, sectors and market caps that display absolute value

Risk-Focused Growth & Income

Navigates changing market conditions by balancing the trade-offs between capital appreciation, yield and risk

A flexible, bottom-up approach to multi-asset investing could be a way for investors to focus on a consistent risk-managed approach to producing income.